How Big Business Runs The Poverty Program, P. 4

When A General Gets Jet Airplanes and Doesn't Know What to Do With Them

"Saigon, April 15 (UPI)—A force of 230 aircraft from all four U.S. services carried out a dawn-to-dusk saturation bombing today of forest sheltering the Viet Cong supreme headquarters in South Vietnam."

—St. Louis Post-Dispatch April 15.

"Saigon, April 18 (AP)—Since Friday (April 16) ground troops have been searching the tangled jungle north of Black Virgin mountain trying to assess the damage caused by 1,000 tons of bombs dropped by 230 U.S. warplanes. The ground troops have found no evidence that the jungled region was what intelligence reports said it was—a major Viet Cong headquarters region—U.S. sources said. No Viet Cong bodies have been found and only a handful of weapons have been picked up."

—Washington Sunday Star, April 18.

"The joint strike was undertaken after Gen. Wm. C. Westmoreland, commander of the U.S. military command, ordered a 'maximum effort.' Gen. Westmoreland, who originally asked for the use of U.S. jet aircraft within South Vietnam, has urged his intelligence officers to find targets for the potent airpower made available to him."

—New York Times from Saigon, April 16.

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A Great Storm Is Gathering

The Vietnamese leadership and people, in Hanoi and Saigon, in the hideouts of the guerrillas and in their exile homes in Paris, had better move quickly. Only the miracle of direct negotiations between them came save their poor country from as treacherous a trio of defenders as ever came to plague a small nation. Vietnam is caught in a triangular Great Power struggle which may or may not end in a world war, but is scorching its earth and decimating its people. The civil war among themselves is the real lever of foreign intervention, and only its end by fraternal talks can save it from enemies and friends equally dangerous no matter whether looked at from the right or the left. It may be that only the Vietnamese themselves can save the rest of us from disaster.

Strange Talk From A Big Brother

The Chinese talk big but their only contribution so far was to delay the arrival of air defense missiles from Russia. It must be painful to the Vietnamese to read Chou En-lai's explanation in the April 18 issue of the Algerian weekly, *Jeune Afrique*. When Ben Bella asked him whether it was true that Soviet supplies had been held up, Chou En-lai replied that it was normal for Peking to preserve its rights of sovereignty by subjecting such material to inspection! The real reason for his government's attitude, the Chinese leader went on, was that Russian defense missiles would mean the entry of Russian technicians to man them "that is to say, Russian troops and that is something the peoples of South-East Asia cannot admit or tolerate." This is tantamount to saying that China prefers to leave Hanoi defenseless against air attack.*

The Russians are almost paralyzed between their terrible feud with the Chinese and their hope for relaxation of tension with the United States; they cannot abandon North Vietnam without loss of face to the former, nor defend it without risking a nuclear confrontation with the latter. If the issue were not precipitated in a small Communist and Asian country, endangering Russian prestige in both the Communist and Afro-Asian worlds, they might find a direct clash between China and the U.S. as attractive a way to weaken both rivals as some in the West did the Nazi attack on Russia. China maneuvers to use the Vietnamese crisis as a wedge between Russia and the U.S., while the U.S. maneuvers to use it as a wedge between Russia and China. This would be fascinating if it were only chess, but it is a game in which every move adds to Vietnamese suffering and the danger of a nuclear war. What if, under the growing pressure, the Russian military were to take over from the cautious bureaucrats?

From all indications the tiny handful who make policy in Washington are playing this game with zest. Johnson, like a second husband, anxious to outdo his predecessor, seems to want another eyeball-to-eyeball confrontation like Kennedy's over Cuba. While he woos the peace movement with private letters and talks in order to disarm it, he is steadily escalating the war. The moves toward peace are few and faint, just enough to confuse opposition at home and abroad, while the

(Continued on Page Two)

Our Firmest Allies in South Vietnam

"There are two groups of Vietnamese who stand firmly behind the Americans. First are the middle classes in the towns who make vast fortunes out of the war. Every third shop has been made secure against attack from terrorists with prisonlike bars and turned into dark sleazy night clubs filled with girls from six in the evening, anxious to please at a price.

"Hotels are packed while rents of flats are as high as in Central London or Paris. There has been no attempt to control prices. Indeed many merchants have been given dollar credits to import goods at the official rate of about 120 piastres to the dollar. This makes luxuries, silks, cameras, record players really cheap."

—From Saigon, Manchester Guardian Weekly Apr. 15

*** Chou En-lai said he feared a new Cuba "that is to say, a situation which would end in a Russo-American negotiation" such as the one between Kennedy and Khrushchev which "sacrificed the interests of the Cuban people." But Cuba is better off today than if it had been plunged into war, and Vietnam could do worse than a similar hands-off agreement between the two big powers.**

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(Continued from Page One)

moves toward a wider conflict are swift and covert, but unmistakeable. Large-scale commitment of combat troops is indicated by the statement Senator Stennis, acting chairman of the Senate Armed Services Committee, issued from his home in Dekalb, Mississippi, over the Easter week-end. He recalled that in three Senate speeches he had opposed the sending of U.S. military to Vietnam when the men were first ordered there in 1954. But he said that we now had to face "the hard fact that we are now in a war that is getting bigger." He predicted that more U.S. troops would be sent in, and that the struggle might last ten years! "Warning against paying too high a price for peace," declared the press release his office circulated over the holiday, "Stennis said, 'While we want to end the war as soon as possible, we must be certain we do so on terms acceptable to us'." This is the authentic measure of Johnson's peace terms.

Combat Troops Next

The conference on in Hawaii as this is written is accompanied by the familiar hints and qualified disavowals which herald a widening of the conflict. "No decision has been made, Pentagon sources say," the AP reported (*Washington Star,* April 19), "to throw American ground troops directly into the war." All sorts of possibilities are being leaked. Both the *Sunday Times* and the *Sunday Telegraph* in London (April 11) reported talk in Saigon of moving South Vietnam's boundary up from the 17th to the 19th parallel; the destruction of roads and bridges leading south from Hanoi would prepare the way for such a move but U.S. ground troops would be necessary to achieve it. This would be moving from aerial bombardment to invasion. The arrival of Soviet SAM's (surface to air missiles) in Hanoi would make attack on the capital too costly; to take a piece of the country would save face. "The sharpening of North Vietnam's air defenses," the *Washington Post* speculated editorially April 17, "may tend to shift American support tactics to ground forces." A straw in the same dreadful wind was provided by a speech Senator Proxmire made in Wisconsin April 19 supporting the war and declaring "This country must be prepared for the possible commitment of tens of thousands of additional American troops and perhaps much more, with a sharp acceleration of American casualties." (Press release from his office). Huge eight-inch howitzers capable of firing atomic shells have been landed at Da Nang. Major Gen. Max S. Johnson (ret.), former planner for the Joint Chiefs of Staff, speculates in *U.S. News & World Report* (April 26), that instead of "a solid cordon of U.S. troops" such weapons could be used to create "a nuclearized zone" against invasion from the North. Such are the trial balloons going up.

A New Note Heard in Saigon

There are some indications that the signals are not entirely wasted on the Vietnamese. The most important suggestion in the joint communique issued by the Russians and the North Vietnamese in Moscow was its call for "the formation in South Vietnam of a national democratic coalition government carrying through a policy of independence and neutrality in full conformity with the Geneva agreements of 1954" (text in Washington *Sunday Star,* April 18). This has gone almost unnoticed in our press. Right-wing sources here complain that the Saigon government is being purged of Catholic pro-war elements in favor of generals and civilians favored by the Buddhists who want peace. On his way through Paris a Vice-President of the Saigon regime, Tran Van Tuyen, told *Le Monde* (April 16) it was necessary to stop the war and that a democratic socialism in Saigon would make it possible to integrate the South Vietnamese left and end the rebellion. This was a new note. It should be read in connection with the interview that Gen. Nguyen Chanh Thi, who seems to have become the most powerful of Saigon's Generals and is being attacked here by right wing commentators, gave to Richard Critchfield (*Washington Star,* April 14), saying that U.S. aid to South Vietnam had only made the rich richer and the poor poorer. The race may be on between peace tendencies in Saigon and U.S. military plans if necessary to take over the country and the war altogether.

How to Feel Optimistic in A Quicksand

"Today the military situation is worse, although there has been an upturn from its very worst about 45 days ago, and the government is only slightly less shaky than last fall. And yet, paradoxically, there is a ripple of confidence beginning in both American and Vietnamese circles. All thought of an American withdrawal has vanished as indicated by the escalation of U.S. involvement."

—Los Angeles Times Foreign Service from Saigon in Washington Post, April 18.

The Student Peace March

Now, before we slip over the brink, it is urgent that all peace forces in our own country bury their sometimes petty and personal differences and awaken our fellow countrymen to the dangers. The President's cancellation of visits by the leaders of India and Pakistan reflects his headstrong unwillingness to listen to counsels of caution, especially from countries which reflect Asian sympathy for a small Asian country helpless under U.S. air attack; we would never dare strike this way against a big country able to retaliate on its own. The student peace march on Washington last week-end put the biggest picket line ever outside the White House and brought 20,000 people including a delegation from Mississippi together in a huge rally at the Washington Monument. Senator Gruening of Alaska had the honor to be the one member of Congress with the courage to address the students. His proposal for an end to the bombing of North Vietnam was echoed a few hours later by Senator Fulbright. Gruening's call for negotiations with the Viet Cong was sneered at by the conservative *Washington Star* although a few days earlier (April 12) it had itself said editorially, "It is very difficult, to say the least, to see how a settlement can be negotiated without their participation." The right-wing press attacked the demonstration and as usual most of the press ignored the Gruening speech. Even the liberal *New York Post* was stampeded by nervous adult peace leaders into running an editorial before it took place saying there was "no justification for transforming the march into a one-sided anti-American show." If it had waited 24 hours, it would have seen that the "show" was neither one-sided nor anti-American but a disciplined and sober affair for which the students deserve the country's deepest thanks. *April 20*

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How State Dept. Intervened To Block Low-Cost Drug Plan for Latin America

Senate Antitrust Committee Drops Too-Hot-To-Handle Drug Inquiry

After two years of shillyshallying, the Senate Antitrust Committee has canceled its investigation of how U.S. drug manufacturers and high U.S. officials joined forces to block a low-cost drug program in Colombia, Latin America. The Committee voted unanimously (Mar. 25) to drop subpoenas which the late Estes Kefauver issued in 1963 against Parke-Davis, Pfizer, Schering, Sterling, American Cyanamid, Olin Mathieson, and the 140-member Pharmaceutical Manufacturers Association. The few fragments of the story that are known must look to Latin Americans as a typical instance of Yankee imperialism.

From 30c to 3c A Tablet

In 1962, the Colombian government announced that it would guarantee distribution throughout the country of some 32 drugs if the manufacturers would agree to sell them under generic (chemical) names rather than brand names. This would avoid the high cost of advertising promotion and permit lower drug prices. The only U.S. firm to accept the offer was McKesson-Robbins, which had inspired the Colombian program by selling an important antibiotic under its generic name for 3c a tablet while other U.S. firms were selling it under brand names for 30c a tablet. Shortly after, Venezuela and Costa Rica indicated an interest in a similar program, but they soon changed their minds.*

On January 14, 1963, the Pharmaceutical Manufacturers Association and some Colombian drug companies met in Washington. According to a transcript of that meeting revealed by the Colombian Minister of Health, a special counsel for PMA, Mr. Lloyd Cutler, proposed a program to mobilize official support inside the State Department against the generic drug plan. On February 4, Under Secretary of State George Ball announced the formation of an Advisory Committee on International Business Problems "to review . . . specific business complaints submitted by American businessmen in connection with their overseas operations." By a happy coincidence, Mr. Cutler was among the five men appointed to the Committee. On April 1, minus Mr. Cutler, the Committee began a trip to every Latin American country except Paraguay.

Meanwhile, a news story had come to the attention of Sen. Kefauver that indicated foreign aid to Colombia might be cut off because the generic drug program infringed on American patent rights and could therefore be interpreted as expropriation of American property. In May, Kefauver issued his subpoenas, but their due date was postponed when Sen. Dirksen led a revolt within the committee. He insisted that it "seek the advice" of Senate Foreign Relations. In an executive session, June 25, the president of McKesson-Robbins told Foreign Relations that U.S. drug firms now refused to supply his Colombian operation with raw materials. In spite of this, Sen. Morse proposed that the matter be referred to the State Dept., AID, and Justice for a quiet investigation that would not harm our foreign relations. Morse was in a compromising position since the counsel for the drug companies before Foreign Relations was his long-time friend, Thomas G. Corcoran, who had recently sponsored and largely subsidized a fund-raising luncheon for Morse's 1962 campaign. After the Foreign Relations hearing, the drug subpoenas were extended seven times before they were permanently canceled.

*** The Wall Street Journal, April 14, reported that Britain may take similar action against high-priced U.S. brand drugs.**

LBJ And The Drug Industry

A leak to the press last week that Mr. Lloyd Cutler was about to be appointed Under Secretary of Commerce seems to have temporarily stymied the appointment, but it set us to counting the drug industry's friends within the Johnson Administration. Cutler is a special counsel for the Pharmaceutical Manufacturers Assn. (see main story). At Commerce he would be working under Secretary John Connor, who is the immediate past president of Merck & Co. with drug interests in some dozen foreign countries. Secretary of the Treasury Henry Fowler, appointed last month, was chief Washington lobbyist for Merck before he entered the Treasury Department under Kennedy. Among the President's close personal advisers, Thomas Corcoran is a prominent drug industry attorney whose brother is president of three international subsidiaries of Sterling Drug. The law firms of Abe Fortas and Clark Clifford, two other Presidential confidants, represent the two largest drug advertising firms in the country.

New Commission On Patent Policy Rigged In Favor Of Private Industry

President Johnson last week established a Commission on the Patent System that is stacked from the start against the public interest. The major issue the Commission is expected to consider is whether private industry should be granted patent rights on products that are developed with public funds. Many of the major new products in electronics, transportation and medicine since World War II have been federally financed. Current federal research and development contracts total over $15 billion a year and the figure is rising rapidly. Patents on these products should be placed in the public domain to encourage competitive production and pricing. To grant patent rights to private industry is to create an undeserved 17-year monopoly.

Yet the structure of the President's Commission makes this outcome likely. The executive order establishing the commission provides seats for the Commerce and Defense Departments, the National Science Foundation and the Small Business Administration. The first three currently give away patent rights on all products developed under their R&D contracts. The SBA does not engage in R&D, and as a relatively weak agency it is not likely to offer much opposition. Commerce Secretary Connor, who is thought to have been instrumental in setting up the Commission, has fought strongly in the past for the drug industry's right to patents on all products developed under HEW's cancer chemotherapy program.

Excluded from the Commission are all the public agencies, like Justice, the Federal Trade Commission, and HEW, that have represented the consumer interest during the past three years of heated debate. Also excluded are Departments like Agriculture and Interior, that currently refuse to turn over patent rights to private industry. The ten members of the Commission from private life have yet to be announced, but it would be heartening to see just one dissenting voice.

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Pentagon—Big Business Crowd Hold Top Position In War On Poverty

Why Not Allow The Poor To Elect Their Own Representatives?

When Sargent Shriver introduced his top aides and gave their background at last week's hearings before the House Education and Labor committee, he unwittingly revealed a lot about the War on Poverty. Shriver was reluctant to make the introductions and had to be prodded by Chairman Adam Clayton Powell. Among the men he introduced was Holmes Brown, a director of communications at Martin Marietta Corp., a large defense contractor, who subsequently served with Ford Motor Co., the Secretary of Defense and Rockefeller Bros. The man in charge of administration in the poverty program is Willliam Kelley, formerly director of contracts for NASA, the nation's space agency. Ferdinand Nadherny, the executive secretary of the program, was a high class Boston businessman with the Cabinet Corp., and Milton Fogleman, the man in charge of negotiating contracts with private industry to operate the job corps camps, was formerly in charge of all Air Force contracts.

The Same Cold Warriors

Chairman Powell and his committee protested the absence of the poor from local anti-poverty committees, but no one questioned the preponderance of cold war and big business types at the upper echelons. Towards the end of his testimony, Shriver again linked the War on Poverty with men whose main contribution over the past decade has been to the cold war. "We have a subcontract right now with . . . the Institute for Defense Analysis," Shriver said. "We have about six people from there helping to develop a weapons evaluation system so that we in the war against poverty can begin to evaluate our weapons." The man in charge is Dr. Kernshaw, on leave from the Rand Corporation, the Pentagon's chief think-factory.

A Poverty Program with this kind of personnel could quickly become an adjunct rather than an alternative to the cold war. It already is on its way to anti-democratic paternalism and big business subsidies. One proposal that might stem this trend came from Rep. Albert Quie, a Republican member of Powell's committee. He proposed special elections at which the poor would elect their own local representatives to the anti-poverty boards. This received no support from the rest of the committee, but it is a first rate idea. The present system of appointing the poor (and so far very few have been appointed) makes it easier to bypass the militant poor in favor of the more easily intimidated. Elections would give the poor an independent base of power and would create a more articulate, class-conscious organization among them. A precedent for special elections is the Agricultural Stabilization Committees elected by farmers to run the farm subsidy program.

An indication that the poor themselves may press for this kind of approach came from the Rev. Lynward Stevenson, who spoke for a Negro community in Chicago. "Our dignity can no longer be bought for a pittance or decided by others," he told the committee bitterly. "We would rather starve than survive as fawning pets of Ward Committeemen and city hall."

Constitution Protects The Klan Too

"The nub of the issue is this: no committee of the Congress has the authority to determine whether or not any organization, including the Klan, will be proved to be un-American. I do not like the racist right nor—for that matter—the totalitarian left; but if they have violated a Federal law, then let them be tried in a Federal court. If the laws are not strong enough, let us strengthen them, but let us not bring up individuals and pillory them and bring associations of free men into calumny.

"I note with interest that not one responsible spokesman for the countless number of Negroes and others who have been involved in civil rights actions or who have been maimed, killed or hurt in the North as well as the South—not one responsible spokesman has supported this resolution. Why? They have withstood the temptation to strike out at the Klan via this improper forum because they know the Constitution protects none of us, unless it protects all of us."

—Rep. Phillip Burton* (D., Cal.) *when the House voted $50,000 for HUAC's Klan inquiry. A curious coalition of 43 liberals and Southern racists voted against. Most liberals favored an inquiry by Judiciary; only Burton and Duncan* (D., Ore.) *opposed any.

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